

**Watsonstown Borough Council
Committee Meeting
October 28, 2013**

- OPENING:** The October 28, 2013 Watsonstown Borough Committee Meeting was called to order by Council President Harriet Miller at 7:30 PM.
- MEMBERS PRESENT:** Members present: President Harriet Miller, Vice President Harry Hefty, Jack Marshall, Ralph Young, Mary Phillips, Pat Yeager, Solicitor Ryan Tira, Chief Dennis Derr, Borough Manager Edie Moser and Secretary/Treasurer Brendi Brooke.
- VISITORS:** Ursula Harmon, Buzz Reynolds, Jeff Rachau, Todd Moyer, Shannon Smedley, Amber Koch, Crista Confair, Ferris Roberts, Tim Higley, Rory Kania, Janet Rump, Viola Ranck, Tim Ranck, James Plotts, Sandy Hendricks, Brian Harrison, William West, Hal Crozier, Cindy Crozier and Linda Klinger
- HALLOWEEN:** Shannon Smedley asked if a rain date has been planned for Halloween. The scouts wanted to know and she was put in charge of asking. President Miller said no rain date is scheduled. It will go on as scheduled.
- CEMETERY STEP REPAIRS:** President Miller spoke regarding two estimates received by the Borough. The first was from Straub's Masonry, of West Milton, in the amount of \$6,940.00. This was an estimate to replace the steps and railing. Jack Marshall asked whether a set of steps no one ever uses is worth \$6,940.00. President Miller said the steps are off Liberty Street, between First Street and Brimmer. The steps are currently roped off. Solicitor Tira said they cannot be used until they are repaired or replaced. Harry Hefty said the cemetery fund has the money to replace the steps. The audience was urged to give names of people in the masonry businesses to Council. Ursula Harmon said her husband and another gentleman in the Borough on 4th Street does concrete work and Council hasn't named anyone within the Borough limits. Council said Todd Williamson was asked but is too busy. Solicitor Tira said the steps were under \$18,000.00 and it was not necessary to put them out for bid. Anything over \$10,000.00 requires three quotes. Council decided to table the cemetery step repairs until spring, possibly looking at removing them completely.
- FENCE REPAIR:** President Miller spoke regarding an estimate to repair the fence around the cemetery from Brink's Welding & Repair of Watsonstown. She spoke with him and the quote is for the best of the best. Brink's would like someone to walk the fence with them to let them know exactly what the Borough wants done. The price was \$11,500.00 to straighten, weld and

replace missing fence parts and blast, prime and paint the entire fence. The quote was broken out for repairing and painting broken fencing versus repairing and painting complete fencing. The fence is around most of First Street and part of Cemetery Drive. Solicitor Tira said at the quoted price of \$11,500.00, three quotes would be required. President Miller said this quote was at least a starting point. The fence was tabled until spring, and again, the audience was encouraged to forward names of businesses interested in giving quotes to repair the cemetery fence.

ELECTRIC RATES:

Harry Hefty said Council continues to explore issues regarding electric rates. He spoke regarding the indirect tax on electric rates, which is based on usage. The Borough has millage from the Elm/Ash Street Project that will come off tax bills next year. The question is what to do with these mills of tax, it can be refunded to the people or move some of the indirect tax, which is very high, and move it over to a property tax, which can be deducted by some homeowners. Harry said the indirect tax on electricity weights most heavily on the people with the least amount of money, they pay the same tax on electricity as the wealthiest person. Thus it's a regressive tax for the poor. He has checked into the demand meters and though he doesn't grasp them yet, certainly the base rate could be changed. He spoke of a time when Council didn't pass on rate increases to Borough residents, the Borough was broke and money was being taken from the cemetery. He cautioned that spending will need to decrease with decreased revenue if electric rates are reduced. Council must be careful how electric rates are "tweaked", it is the Borough's revenue. Property taxes can make up for a reduction in electric rates. Everyone would benefit from an electric rate reduction but taxes would go up, affecting homeowners. Edie said debt service is currently 7.52 mills and the general tax is 8.73 mills. President Miller said the debt service is now paid off so it could remain but call it general millage, something else to help with revenue lost in an electric rate decrease. Harry Hefty said this was one possibility. Hal Crozier asked if Council has given any thought to simply stop collecting revenue through electricity and collect revenue through an increase in taxes. Harry said, without a special exemption, Council could never pass enough millage to make up for the revenue generated from the tax on electric rates. Harry said 1 mill of tax generates \$15,000.00 compared to \$600,000.00 from the revenue and profit of the indirect electric tax. Harry said there is no way of redirecting \$600,000.00 worth of taxes to 2000 plus people, impossible and will not happen. Hal Crozier asked if the numbers have actually been run. Harry said for each mill of tax at \$15,000.00, we need to look at how much each mill will reduce the electric rates. Jack Marshall said the Borough's taxes are low and the electric rates fund this town but he knows that everyone benefiting from lower real estate taxes is not paying the higher electric rates. He asked if anyone found any documentation giving "said parties" permission to seek electric service elsewhere. Additional buildings going up in the

Borough were mentioned as well. Jack said he wasn't "anti-business", if anything he is the opposite but certain people need to be advised they have good real estate tax rates for their large holdings. The reason for their low real estate tax rates is that everyone in Watsontown is paying higher electric rates, except them. Harry said he has talked with Jeff Stroehman. He told Jeff that his millage and earned income tax is very useful. They do not have all of their buildings with our electric, however some of their buildings do pay electric with us. Someone in the audience questioned why this was allowed to happen. Solicitor Tira responded that existing electric suppliers that supply electric to existing properties cannot be kicked out. He does not know the history of when electric was supplied to the properties however once the Borough had their own company they cannot remove them. Once they have been on the Borough system they can prohibit others from coming in. If new properties come into the borough then they can prohibit an outside supplier from coming in. Pat asked if the time for the switch would have been when Moran bought the property from Zenith. Solicitor said no, the service was existing at the property at that time so it goes back to the supplier had the right, not the property owner. Pat Yeager commented that the Borough actually did not have any real estate taxes until 1986 or 1987. The electric helped to fund the budget. Linda Klinger said she had given Edie the name of a man who had a history of Philco to contact to see if there was any history that may be useful. Edie said she did try to contact this man several times. Gary Harmon commented that he believes when Zenith came to town the Borough was unable to supply all the power that was necessary to operate the facility. The same is true with the Foundry. Someone from the audience asked if there were not any restrictions for Moran putting the big blue buildings up in the middle of town. Edie stated Watsontown Planning Commission, Northumberland County Planning Commission and the Watsontown Borough Council all approved the plans. A question was asked about the site where the Foundry used to be that Moran now owns, would they be allowed to use an outside electric supplier. No, if and when they need electric at this site they would need to use Borough electric. Jack Marshall commented the Council will soon be working on the budget and hopes to budget some funds for updating ordinances.

**BUDGET
WORKSHOP:**

Edie asked Council to pick a date to schedule a budget workshop. The workshop is scheduled for Wednesday, November 13, 2013 at 7:00 PM.

**ELM/ASH ST
LOAN:**

Edie informed Council on October 9, 2013 the Elm/Ash Street loan was paid off in the amount of \$50,589.80.

**MEDICAL
INSURANCE:**

Edie informed Council that she has spoken with the insurance broker concerning the increase in medical insurance when it renews in April. They said at least 15%, possibly higher.

**PUBLIC WORKS
SUPERVISOR:**

Pat Yeager asked when Council had a meeting that decided the Public Works Supervisor position would be eliminated. President Miller stated there was no meeting. Pat asked why she read that in the paper then. Harry Hefty stated it has not been eliminated and will not be. Harry said it is amazing how things change when it goes through several people. Pat asked Harry if he said it. Harry said what he said was he believes a layer of government could be eliminated. People want to cut taxes and raise revenue there would be one way and that would be to eliminate a position. He said with four street crew and two office staff there would not need to be two supervisors. He is not recommending that at this time however.

**SHANNON
SMEDLEY:**

Shannon Smedley stated she is not saying at all the Mr. Hefty's article is misquoted however she has known Mrs. Moser for a very long time and feels she is rather busy. If Mr. Winter's job was to be eliminated and those responsibilities put onto Mrs. Moser she is not sure how it could be done. She stated if you divide the number of residents in town by Mr. Winter's salary it is about \$24.00 per month. Without a Public Works Supervisor things could possibly not look good in town. She questioned Harry on the electric rates and taxes. Harry said one mill of tax in Watontown generates approximately \$15,000. Pat asked if a mill of tax is the same everywhere. Harry stated no, it is not. It depends on the assessment. Cindy Crozier commented she feels it is not always advantageous to live some place that has the lowest property taxes. It will lower the property values. Several Council members commented at this time that in past years they felt it would be more fair to increase the electric rates which effects everyone and not the real estate taxes which effects only the property owners. President Miller stated if the electric rate were to be lowered this amount would need to be made up some place else. Pat commented that in the last few years the rate we pay to the supplier has increased.

HALLOWEEN:

Pat Yeager reminded everyone about the Borough's observance of Halloween on Thursday, October 31, 2013. The parade starts at 5:30 p.m., followed by trick or treating from 6:00 p.m. to 8:30 p.m. She asked everyone to please drive safely and be watching for children out and about for the evening.

**PAT WARD
UNI-TEC:**

Pat Yeager asked Edie for a status update on Liberty Street. Edie had Pat Ward from Uni-Tec speak. Uni-Tec did some calculations regarding Liberty Street and Hicks Alley regarding curbing that was installed to redirect water in these areas. The purpose was to get an idea of the depth

of water under certain storm conditions. Unfortunately, anything related to rainfall is always statistical. They looked at two places where water came off Hicks Alley, across Liberty Street and into a resident's basement. Curbing was put there to redirect water and keep it off the street. He referenced "storms" and possible rainfall. The goal was to come up with curbing that would re-direct water yet allow property owners the ability to drive over the curb. Pat came up with approx. 3" are needed in that area. The other area was on Hicks Alley and he felt that a little less than 3" curbing would work in this area. He said typically curbing is standard height at 6 or 8 inches. He said the issue wasn't so much the height of the curbing but rather the curb itself, allowing for residents to get from the street, into the driveways and garages. He recommends a study of the entire area to account for all the possibilities of where the water goes. If the Borough continues to attempt to address draining issues in other areas, he recommends a more comprehensive look at our storm water system. Pat Ward said there are lots of areas in the Borough where there is a lot of water and no drains. In some places, water has a long way to go, building up on the service, before reaching drains. Directing water on the surface allows for water to continue to buildup. Pat Yeager asked if there was a storm piping water map for the Borough. Edie said she would look for the map. Jack Marshall had asked Eddie to make note of the areas in the town where we continue to have problems with storm water and prioritize these areas. Pat Yeager said there is no storm drain from Third Street hill, it continues down Third Street to a ditch. She said there are drains in the Borough that run backward, up instead of down as well. Pat Ward said if Council wanted, he could provide them a proposal or budget numbers to a study of the Borough's storm water management system. Pat Ward also spoke regarding the current condition of Hicks Alley. Harry Hefty said posed a question to Pat Ward, because the railroad divides the town, would the storm water management be better divided into two sections. Pat Yeager asked Edie to speak on the meeting with the railroad about the ditch and waterlines that run under the railroad. Edie spoke of erosion from Pennsylvania Avenue to Brimmer Avenue where pipes are washed out and they will eventually be fixed at the Borough's expense.

STOP SIGNS: Pat Yeager spoke of no stop sign on Plum Alley at First Street. Chief Derr said the Pennsylvania vehicle code requires a complete stop where alleys converge onto streets. Chief said if you fail to come to a complete stop, you would be at fault, therefore, a stop sign is not required.

EASEMENTS FROM NEW PUMP STATIONS: Edie said Bill Michael called and will soon have the easements for the new pump stations that were built with the project money ready to sign. Once Edie has them, she will get them signed.

**DOLI
PROPOSAL:**

Harry Hefty reminded Council that tonight was the deadline to accept Doli's proposal regarding Elm Street. Harry said he feels Council should accept the proposal. Harry spoke briefly to the audience regarding the issue and proposal. There was also conversation about the definition of "failure" with regards to the project. Pat Yeager spoke regarding two problem areas on Elm Street, which Harry said are separate issues. Pat Yeager asked to hear from both the Solicitor and the Pat Ward regarding the proposal. Solicitor Tira said Doli is responsible for testing on the area and without the testing, there's an unknown risk. We have nothing to base an informed decision on. Pat Ward said everyone knows the backfill was done improperly, not maliciously, according to the conditions and there will certainly be settlement issues on Elm Street over time. It is unknown how severe the issues will be, however, whether the testing is done or not, the end result will remain the same. There will be some settlement in some areas and someone is going to fix it or they are not going to fix it. If they don't fix the problems, the opportunity to attempt to remedy the situation is still there. Ultimately, if the situation is too bad, we could sue them and see what happens. Delaware Township has taken a hard stand and is forcing the Borough to look at our options and decide what we want to do. Pat Ward said he doesn't really know what the Borough will gain from the testing, other than confirming what is already known. Originally the thought with testing, Delaware Township could be convinced that something had to be done but Delaware Township has since backed off. He said at this time, it would not be wrong for the Borough to accept the deal that Delaware Township has put together, backed up by the Borough's own belief that it can still be fought out in court later if necessary. He recommends keeping a close watch on the street condition and report to Delaware Township everything seen and if anything happens with any safety concern, the Borough may have to put cold patch in and work out the issue at a later date. Solicitor Tira said the proposal is for two years from when the warranty is entered, Delaware Township intends to issue the change order in November, have Doli sign the change order. Approximately 3 years from the street being filled, but 2 ½ years from when it was paved it. Pat Ward said Council should be comfortable with taking the deal and see how it goes, monitoring the street closely at all times. Pat Yeager asked if there were any provisions for response time. Solicitor Tira said Delaware Township has not put forth a document regarding response time. Pat Ward said contractors tend not to respond to every issue but they wait until there is an accumulation of things, then they come and fix them. Solicitor Tira said regardless on what's decided, there is still the potential for differences in opinion. His concern is, without testing, the Borough accepts this proposal for 2 years, than something happens in 3 years, the problem is then the Borough's problem. The timeframe will be based on notification of a problem. Pat Yeager said someone will need to keep a close watch as the time draws to the end of the proposed two years. Harry Hefty made a motion to approve the Doli

proposal with a 2 year warranty for Elm Street. Jack Marshall gave a second. A roll call vote was taken as follows:

Yeager	- yes	Miller	- yes
Hefty	- yes	Phillips	- yes
Marshall	- yes	Young	- yes

All in favor. Motion carried.

**STOP STICKS
TRADED FOR
POLICE
BICYCLE:**

Chief Derr said approx. 15 years ago, stop sticks were purchased by the Borough. They were never opened and never used because Chief Derr doesn't believe in their use. The Borough of Milton is interested in them and they are willing to swap them for one of their police bicycles. The bike would be utilized. Corporal Danley currently rides the Borough's bike on third shift. Pat Yeager made a motion, seconded by Ralph Young, to swap the police department's stop sticks with Milton's police bicycle. A roll call vote was taken as follows:

Hefty	- yes	Phillips	- yes
Marshall	- yes	Young	- yes
Miller	- yes	Yeager	- yes

All in favor. Motion carried.

BACKHOE:

Pat Yeager asked if Solicitor Tira had a chance to review the quote from Five Star for the new backhoe. Solicitor Tira said he was looking for more information regarding all terms and conditions regarding the transaction, including the extended warranty information. Rory Kania from Five Star said he'd be glad to provide the additional information for the municipal lease. Solicitor Tira said it was his understanding the Borough will make one rental payment per year for five years, than the backhoe will belong to the Borough. Tim Higley, also from Five Star, said the first payment would not be due until the 1 year anniversary of the delivery of the backhoe, than at the end of the term of the lease, the backhoe will belong to the Borough. Solicitor Tira said he was looking for the actual lease paperwork that the Borough would sign but he proceeded to further explain the warranty and how it works. The rate on the backhoe is 4.3 %, the rate John Deere offered but Tim suggested the Borough check rates with the bank. The amount needed after the trade in of the old backhoe is \$78,394.35, with a payment of \$17,801.01. Edie agreed to call and get rates from the bank tomorrow. Solicitor Tira said once Council decides on the financing, the backhoe will be under the borrowing limit and a resolution will need passed to approve it. He will draft the resolution once Council decides the financing. Pat Yeager said the backhoe is needed and would be used on the storm water system, digging graves and salting. President Miller said she wasn't convinced the new

backhoe was needed. Mary Phillips agreed. After much discussion, Scott's figures to repair the old backhoe were provided by Five Star. Edie said when asked that Allenwood Equipment has serviced the backhoe for many years. Council made no conclusions or decisions on the new backhoe.

**GOLDMAN
LETTER:**

President Miller said Council was in receipt of a letter received by Mike and Linda Goldman regarding a block party held on October 19, 2013. The block party was to end at 10:00 p.m. Council gave approval for the block party on East 9th Street in the Borough and everyone was invited. Chief Derr said his department received 2 complaints of loud music. Two members of the audience were at the block party and said the music was shut down but 8:15 p.m. Per Chief Derr, the officer that came on duty for third shift said everything was cleaned up and you would have never known anything went on. President Miller said everything mentioned would be taken into consideration should Council receive a request next year.

**ELECTRIC-
AMERICAN
LEGION**

Edie said the Borough was in receipt of a request from Dave Ferguson of the American Legion requesting Council's permission to choose PPL for their electric supplier. Edie said the Legion was in Delaware Township. Harry Hefty made a motion to allow the Legion to pursue their electric from PPL because they are not in the Borough of Watsontown. The motion was seconded by Ralph Young. A roll call vote was taken as follows:

Marshall	- yes	Young	- yes
Miller	- yes	Yeager	- yes
Phillips	- yes	Hefty	- yes

All in favor. Motion carried.

**CAMERAS
AT THE PARK
& GARAGE:**

Harry Hefty said the Borough has installed cameras at the Watsontown Park and the Borough garage. The question has been raised: who should have access to this video? Harry was told that this information should be reviewed by the police for evidence. Someone asked who has access to them now, to which President Miller and Harry Hefty said Scott Winters has access. Harry said he is our Public Works Supervisor and the Emergency Management Coordinator. President Miller said she agreed, the police should have access to this information, not Scott. Solicitor Tira said as long as the police have access to it, they can take custody of it. Chief Derr said this issue is new to him. He knew trail cameras had been put up at the park but he did not have access to the cameras to see what was on them. He just learned a few days prior about the cameras at the Borough garage. Chief was not consulted on any cameras, so unfortunately, he knows nothing about them. Edie confirmed for Pat

Yeager that the cameras were installed in the Borough garage last week. Chief Derr spoke to the Mayor regarding his concerns and making sure the Borough was not in violation of any wiretap laws. The audience asked who authorized the installation of the cameras, Council did. President Miller said Council authorized the cameras at the park because the restrooms were constantly being vandalized. The audience asked why cameras are being installed in our town yet our police are not aware of it and why wasn't that taken into consideration in the first place. President Miller said Scott put them up and it was assumed that the police would have access to them. President Miller asked Chief Derr to do whatever is necessary to gain access to all cameras and report back to Council. No matter what is involved, be it a motion, Council will handle it.

**SHANNON
SMEDLEY'S
RESIGNATION:**

Edie said she was in receipt of Shannon Smedley's letter of resignation as the Borough's cleaning person. With regrets, Mary Phillips made a motion to accept Shannon's resignation. A second was made by Jack Marshall. A roll call vote was taken as follows:

Miller	- yes	Hefty	- yes
Phillips	- yes	Yeager	- yes
Young	- yes	Marshall	- yes

All in favor. Motion carried.

**GRETA KLING
REQUEST:**

Edie said she has had several conversations with Greta Kling. Edie provided Council with a letter from Greta requesting permission to purchase electric from an outside supplier. Edie said Greta's letter was a bit concerning so she talked with Solicitor Tira and provided Council with Solicitor Tira's response to Greta. Solicitor Tira said the Borough has the legal ability to prohibit other electric suppliers from doing business within the Borough. Council needs to be uniform with all residents and a criteria created regarding electric. Council needs a consistent practice as to who can seek outside electric and who cannot. He said if Council is going to start permitting people within the Borough to go elsewhere for electric, the Borough needs to look to get out of the electric business. He said Council does not have to grant this request to seek electric from outside the Borough of Watsonstown. Pat Yeager confirmed Greta's property is in the Borough. The Borough's policy will continue to release only those properties not within the Borough limits to seek electric from outside sources.

**EXECUTIVE
SESSION:**

Pat Yeager asked for an Executive Session following tonight's meeting regarding questions with personnel and litigation.

**THANK YOU/
MONTGOMERY
HOUSE LIBRARY:**

Edie said she was in receipt of a very nice thank you from the Montgomery House Library for the Borough's \$6,500.00 donation.

**LIBRARY
TOY AUCTION:**

President Miller reminded everyone of the Chinese Toy Auction being held by the Montgomery House Library on November 23, 2013 at the Allenwood Social Hall. She said it is a great fund raiser and encouraged all to attend.

**MIKE
FORESMAN:**

Edie said she, Scott and John Mazick met with Mike Foresman in May. Mike bought the car wash on 8th Street. There is a drainage ditch behind his car wash, next to the railroad that discharges onto Mike's property. He is asking the Borough to pay for the fitting connecting the storm pipe coming from Matthew Street onto his property. John Mazick felt it was a reasonable request. Edie then read an email from Scott stating Mike only installed the fitting for the Borough's benefit. Mike Foresman's total bill for the work he had done was \$4,926.00. The only part he is asking to be reimbursed for from the Borough is a 24 inch ADS YWE in the amount of \$512.25. Harry Hefty made a motion, seconded by Mary Phillips to reimburse Mike Foresman in the amount of \$512.25. A roll call vote was taken as follows:

Phillips	- yes	Hefty	- yes
Young	- yes	Marshall	- yes
Yeager	- yes	Miller	- yes

All in favor. Motion carried.

**PUBLIC
SESSION:**

Harry Hefty asked if Council would re-open to a public session and Pat Yeager said, not to her knowledge.

**VANDALIZISM
AT BOROUGH
GARAGE:**

A Borough resident asked how extensive the damage has been at the 10th Street Borough garage, that warrants the installation of cameras inside the Borough garage. Solicitor Tira said they could have been installed for various reasons. President Miller said it was not necessarily just done for vandalism. Solicitor Tira said it would be personnel related so nothing further could be said regarding the matter.

**ADJOURN
TO EXECUTIVE
SESSION:**

There being no further business to come before Council, at 9:19 p.m. a motion was made by Harry Hefty to adjourn to Executive Session, seconded by Jack Marshall.

Sincerely,

Brendi L. Brooke
Secretary/Treasurer